(SHRI V. DHANANJAY KUMAR): (a) The Ministry of Finance received a number of representations, including representations from chambers of Commerce as part of the budget exercise. The Ministry also received suggestions relating to benefits under the Income tax for the North-Eastern regions.

(b) The suggestions notably related to extension of tax holiday benefits under Section 10A and 10B to the North-Eastern region and the withdrawal of application of Minimum Alternate Tax provisions to the corporates set up in North Eastern Region. The response of the Government was contained in Government amendments moved to the Finance Bill, 2000.

(c) Under section 10C, units set up in IIDCs and Growth Centres alone are entitled for tax holiday. However, under separate provisions of section 80 IB, tax holidays are available to new units in specified industries set up anywhere in the North Eastern Region.

(d) Does not arise, in view of (c) above.

Allegations against Chairman, U.B. Group

3186. SHRI BRATIN SENGUPTA:
SHRI DILIP SINGH JUDEV:

Will the Minister of FINANCE be pleased to refer to answer to Unstarred Question 506 given in the Rajya Sabha on 29th February, 2000 and state:

(a) whether it is a fact that the Chairman, United Breweries, Group has since appeared before the Enforcement Directorate for alleged violation of FERA;

(b) if so, what are the details of the allegations for which the Chairman, U.B. Group is being interrogated; and

(c) what is the present stage of progress in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI V. DHANANJAY KUMAR): (a) Yes, Sir.

(b) It has been alleged that in January, 1996, M/S United Breweries Ltd., Bangalore, had made a commitment of U.S. $ 3 million for making payment of sponsorship fee to MILD SEVEN BENETTON RENAULT TEAM of U.K.

(c) Investigation has been taken up but certain inquiries are pending in U.K. and some information is awaited from the Chairman, U.B. Group.

Compromise formula for resettlement of NPAs

3187. SHRI ABANI ROY: Will the Minister of FINANCE be pleased to state:

(a) whether RBI has issued compromise formula for resettlement of NPAs as reported in the Hindu dated 3rd August, 2000;

(b) if so, the details thereof;

(c) whether the Industries or individuals who are involved in Rs. 5 crore and above in NPAs would be handled separately; and

(d) if so, the steps taken by Government/Banks to recover NPAs from individuals or firms which are to pay Rs. 5 crore and above?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALA SAHEB VIKHE PATIL): (a) and (b) RBI has issued guidelines to provide a simplified, non-discriminatory and non-discretionary mechanism for recovery to stock of NPAs with outstanding upto Rs. 5 crore in all sectors. The salient features of the revised guidelines are as under:—

(1) The received guidelines will cover all NPAs in all sectors irrespective of the nature of business, which have become doubtful or loss as on March 31, 1997 with outstanding balance of Rs. 5 crore and below on the cut off date.

(2) The guidelines will also cover NPAs classified as sub-standard as on March 31, 1997, which have become doubtful or loss subsequently.

(3) These guidelines will also cover cases pending before Courts/DRTs/BIFR subject to consent decree being obtained from courts/DRTs/BIFR.

(4) Cases of wilfil default, fraud and malfeasance will not be covered.

(5) The revised guidelines will remain operative upto March 31, 2001.